

EDF'S EXHIBIT MMM

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION FOR
THE PURPOSE OF CONSIDERING:

CASE NO 21528

APPLICATION OF OIL CONSERVATION DIVISION
TO ADOPT 19.15.27 NMAC AND 19.15.28 NMAC, AND
TO AMEND 19.15.7 NMAC, 19.15.18 NMAC, AND
19.15.19 NMAC; STATEWIDE.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
RULEMAKING HEARING - DAY 4
JANUARY 7, 2021
Via Webex Platform
Santa Fe, New Mexico

BEFORE: ADRIENNE SANDOVAL, CHAIRWOMAN
JORDAN KESSLER, COMMISSIONER
DR. THOMAS ENGLER, COMMISSIONER
FELICIA ORTH: HEARING EXAMINER
CHRIS MOANDER, ESQ.

This matter came on for hearing before the New Mexico Oil Conservation Commission on January 7, 2021, via Webex Virtual Platform, hosted by New Mexico Energy, Minerals, and Natural Resources Department.

Reported by: Irene Delgado, NMCCR 253
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1 Now we can move to the next slide, thank you.

2 Here we talk about the equipment performance or
3 performance standards relating to inspection or AVO And what
4 we did here is modified the July draft to be consistent with
5 the proposed NMED AVO language that was proposed back in
6 their original draft.

7 As inspection lists in the language and as the
8 definition of AVO is, it requires such a facility be
9 inspected utilizing three senses, site, sound and smell, to
10 inspect externally, not any internal, for leaks or releases
11 of natural gas.

12 One of the things that I would like to emphasize
13 is this inspection is not (unclear). This is not leak
14 detection repair, which is part of the air emissions
15 requirement that NMED will be regulating. This is simple
16 AVO which normal operators perform on location when they are
17 out there.

18 It is not meant to be a robust system using
19 optical gas imaging equipment. It's not meant to be a
20 robust inspection and repair and reporting requirement, as
21 you will hear later specifically probably from Brandon, you
22 know, what the Division will be asking for is, is you
23 perform the inspection, did you find any deficiencies and
24 what were they. And even then we are not requiring that you
25 submit anything, only that it be available.

1 We added a new section within equipment
2 performance standards, and this is the ability to use
3 automated monitoring technology in lieu of AVO. And this
4 came as a recommendation from one of our stakeholders from
5 industry. And what this allows for is many operators today
6 are installing scada-type equipment, which is automatic
7 monitoring equipment that they can monitor off-site,
8 pressures, weights from multiple low points within the
9 facility and wellsite.

10 And what this does is it allows you to monitor
11 the site's performance as well as -- as well as help,
12 therefore if you see any changes, it allows you to address
13 that change immediately, you know, as opposed to having an
14 operator on a normal route he can review his morning report
15 and know which wells need to be addressed immediately.

16 So, therefore, this type of technology may be
17 submitted to the Commission or to the Division for review
18 and used in lieu of AVO.

19 Next slide, please.

20 I would like to move, now moving over to 28, Part
21 28, similar section that we (unclear) operation standards.
22 And the reason being is that we have already talked about
23 equipment in Part 28 if we did have, where we do have
24 notices of equipment, we refer back to Part 27, but we want
25 to highlight in Part 28 some of the operational performance